

Kentucky Higher Education Student Loan Corporation
Statement of Revenues, Expenses, and Changes in Net Assets
Six Months Ended December 31, 2008

	Auction Rate Education Finance Funds	
	1997 General Bond Resolution	2004 General Bond Resolution
Operating Revenues:		
Interest Revenues:		
Borrower Interest	\$17,742,756	\$17,895,584
Federal Interest Benefits	4,042,227	8,638,394
Special Allowance	(435,036)	(3,147,943)
Interest and other Investment Income	447,336	438,858
Total Interest Revenues	21,797,283	23,824,893
Financing Expenses:		
Interest on Expense on Debt	15,008,606	17,015,195
Amortization of Front End Borrower Benefits	1,107,033	2,750,929
Principal and Interest Benefits	71,774	42,964
Federal Consolidation Fees	1,641,728	993,678
Provision for Loan Losses	158,096	395,024
Variable Bond Credit Facility and Remarketing Fees	339,755	382,583
Amortization of Loan Purchase Premiums and Origination Costs	547,943	680,147
Amortization of Bond Issuance Costs	76,507	70,932
Net Interest Revenues	2,845,841	1,493,441
Other Operating Revenues:		
Gain on Early Retirement of Debt	1,533,440	2,507,500
Late Payment Penalties	242,225	174,707
Total Operating Revenues	4,621,506	4,175,648
Operating Expenses:		
Administrative Expenses		
Depreciation and Amortization		
Other Expenses	75,657	48,654
Total Operating Expenses	75,657	48,654
Operating Income (Loss) before Transfers	4,545,849	4,126,994
Servicing and Administration Transfer	(5,600,442)	(3,112,818)
Net Income (Loss) after Operating Transfers	(1,054,593)	1,014,176
Transfer (to) from Other Funds		
Interfund Transfers	0	1,125
Transfer to the Governmental Fund	0	0
Increase (Decrease) in Net Assets after Transfers	(1,054,593)	1,015,301
Net Assets, Beginning of Year	37,557,219	(2,479,323)
Net Assets, December 31, 2008	\$36,502,626	(\$1,464,022)